Fact Sheet

S. 1131 – The Clean Power Plant and Modernization Act of 2001

Sponsor: Senator Patrick Leahy

Background:

The 1990 Clean Air Act Amendments established standards for the emission of sulfur dioxide and nitrogen oxides - the precursors to acid rain - from electric power plants. Implementation of these standards through the EPA's Acid Rain Program has begun to reduce acid sulfate deposition.

However, research shows that acid deposition continues to seriously damage our forests, waterways, and ecosystems, because large emissions remain unchecked under current law. The existing standards still allow some emissions from affected power plants. Further, most large power plants were "grandfathered" and are not even subject to the emission standards in the Clean Air Act. Enacting stricter standards for sulfur dioxide and nitrogen oxides and forcing all units to comply would greatly reduce emissions and thus reduce acid deposition.

Coal-fired power plants are the single largest source of mercury pollution in the U.S. Mercury continues to contaminate our waterways, and 41 states have issued advisories warning against eating fish contaminated with methylmercury. The EPA determined in December to regulate mercury emissions from electric power plants, but this regulation will not take effect for several years, and the final form of the regulation is still uncertain. A strict standard for mercury would greatly reduce emissions, thus protecting our waterways and the health of those who eat freshwater fish.

Fossil fuel-fired power plants also generate more than two billion tons of carbon dioxide per year, contributing to potential global climate change. No existing law regulates these emissions. The combustion heat rate efficiency of most coal-fired power plants is only 33%, meaning these units waste 67% of the energy in their fuel. Improved efficiency would reduce the amount of fuel needed to generate electricity, reducing the emission of carbon dioxide, sulfur dioxide, nitrogen oxides, mercury, and particulates, independent of any dedicated emission control equipment.

Technologies already exist to improve combustion heat rate efficiency and to reduce emissions of sulfur dioxide, nitrogen oxides, and mercury. The Clean Power Plant and Modernization Act mandates strict new standards and creates financial incentives that will motivate the use of these technologies to reduce emissions, clean our air, and protect our ecosystems and our health. It invests in new, cleaner power generation technologies, and it ensures accountability by monitoring the impact of emission reductions.

Major provisions of the bill:

- Closes the "grandfather" loophole by requiring all units to comply with existing new source review requirements under Section 111 of the Clean Air Act
- Sets combustion heat rate efficiency standards for all units, with strict emission standards for carbon dioxide, sulfur dioxide, nitrogen oxides, and mercury
- Extends the renewable energy production credit to 2016 and adds solar and geothermal
- Creates a Clean Air Trust Fund with revenue from megawatt-hour generation fees
- Provides tax incentives and grants for units that comply with the standards
- Funds renewable energy and clean power generation research and development
- Provides assistance for workers and communities impacted by reduced coal use
- Modernizes and supports instrument networks that monitor acid and mercury deposition